

Northwest MLS brokers say real estate activity across Washington remains strong

Some real estate brokers expect the competition for homes to ease somewhat over the holidays, but the latest statistics from Northwest Multiple Listing Service indicate activity is unusually strong heading into December.

“The rush is on for housing,” exclaimed J. Lennox Scott, chairman and CEO at John L. Scott Real Estate. “Real estate activity typically chills as temperatures drop but buyer demand remains high. “With low unsold inventory, all eyes will be on each new home that comes on the market,” he suggested, adding, “This strong demand is present in the more affordable mid-price ranges and extends into high-end homes.”

The Northwest MLS report summarizing November activity shows strong year-over-year (YOY) increases in closed sales (up about 23%) and prices (up 13.8%). Pending sales (mutually accepted offers) rose 7.9% from a year ago, and the year’s saga of depleted inventory continued last month with the number of total listings down nearly 43%.

Commenting on the low inventory, NWMLS director Meredith Hansen emphasized buyers need to be ready to compete. “Offers that have the best chance of acceptance are from buyers who are pre-approved with a local lender or have cash. Buyers also need to be prepared to have a pre-inspection in order to waive that contingency, and be ready to escalate in price if necessary,” suggested Hansen, the owner/designated broker at Keller Williams Greater Seattle.

Thirteen of the 23 counties in the MLS report had less than one month of supply at month end. Overall, there was about three weeks (0.73) of inventory at the end of November, well below the four-to-six months many analysts use as a gauge of a balanced market.

One indicator of brisk activity is the ratio of pending sales to new listings. November’s 8,584 pending sales outgained the month’s new listings, which totaled 6,425 area-wide, continuing a pattern reported during much of the year. New listings surpassed pending sales during only two months (March and April) this year, resulting in the depleted supply of active listings.

Dean Rebhuhn, broker-owner at Village Homes and Properties in Woodinville, said the “COVID Effect” is causing purchasers to want more space, both inside and outside. “Working and schooling from home, whether full- or part-time is the new normal,” he commented, noting buyers are finding suburban and rural solutions to these lifestyle changes.

Prices on last month’s 8,875 closed sales were up nearly 14% from a year ago, rising from \$434,900 to \$495,000. Seventeen of the 23 counties in the report had double-digit price gains compared to a year ago.

Kitsap County is among the areas experiencing double-digit activity in pending sales, closed sales, and prices. “Competition in the fast-moving market is fierce with buyers now using non-refundable earnest money and waiving inspections and financing. This is unprecedented compared to past markets,” stated Frank Leach, broker/owner at RE/MAX Platinum Services.

Market Activity Summary for November 2020						
Single Family	Listings		Pending	Closing Sales		
	New	Total		# of Closings	Average Price	Median Price
Homes & Condos	Listings	Active				
King	2,305	2,867	2,846	3,098	\$850,236	\$685,000
Snohomish	904	527	1,291	1,380	\$579,100	\$538,475
Pierce	1,080	680	1,546	1,516	\$484,014	\$436,000
Total	4,289	4,074	5,683	5,994	\$637,783	\$553,158

Microsoft’s loans to local housing groups

Microsoft will make two loans totaling \$65 million to local housing groups with the goal of creating more than 1,000 new affordable housing units in the Seattle area, the company announced late November.

The company will invest \$40 million in an initiative to reduce rents in existing market-rate housing in Bellevue and Kirkland. Developer Stream Real Estate bought three apartment buildings charging market-rate rent and plans to lower rents in 40% of the units to be affordable to people earning less than the area median income. Microsoft will also loan \$25 million to the Washington State Housing Finance Commission (WSHFC) for a program that funds developers' purchase of land to build affordable housing.

Breakouts! – Residential SOLD Average

November 2020 (King/Snohomish County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2020 VS
	Nov. 2020	Nov. 2019	2019
Auburn-Federal Way (110-310)	\$ 494,861	\$ 433,499	14.16%
Kent-Maple Valley (320-340)	\$ 576,901	\$ 522,392	10.43%
West Seattle (140)	\$ 777,918	\$ 674,902	15.26%
SODO-Beacon Hill (380-385)	\$ 716,250	\$ 668,680	7.11%
E.lake-Madison-Capitol Hill (390)	\$ 1,195,870	\$ 1,399,975	-14.58%
Queen Anne-Magnolia (700)	\$ 1,263,599	\$ 1,150,641	9.82%
*Belltown-Downtown Seattle(701)	\$ 726,374	\$ 718,417	1.11%
Ballard-Greenlake (705)	\$ 940,968	\$ 804,365	16.98%
North Seattle (710)	\$ 1,074,269	\$ 853,597	25.85%
Shoreline/Richmond Beach (715)	\$ 887,191	\$ 669,531	32.51%
Bellevue Downtown (520)	\$ 3,788,137	\$ 2,529,904	49.73%
Mercer Island (510)	\$ 2,471,955	\$ 2,071,115	19.35%
Bellevue South-Newcastle (500)	\$ 1,214,365	\$ 984,185	23.39%
Renton Highlands-Downtown (350)	\$ 699,929	\$ 592,767	18.08%
Microsoft-Bellevue East (530)	\$ 1,263,742	\$ 1,051,775	20.15%
Kirkland Downtown (560)	\$ 1,561,913	\$ 1,452,946	7.50%
Redmond (550)	\$ 1,060,159	\$ 1,103,746	-3.95%
Issaquah-Sammamish (540)	\$ 1,093,548	\$ 958,907	14.04%
Juanita-Bothell-Woodinville (600)	\$ 963,049	\$ 835,294	15.29%
Bothell North-Mill Creek (610)	\$ 808,005	\$ 686,198	17.75%
Edmonds-Lynnwood (730)	\$ 694,086	\$ 606,704	14.40%
Everett-Mukilteo-Snohomish (740)	\$ 617,313	\$ 510,745	20.87%

*Condominium SOLD Average

Home equity grew \$1T, breaking 6-year record

Homeowner equity rose again in the third quarter of 2020, reaching the highest total in over six years. CoreLogic’s quarterly report on that asset says that those homeowners with mortgages, about 63 percent of the total, saw their equity grow by 10.8 percent since the third quarter of 2019. This equates to an increase in homeowner wealth of about \$17,000 per household, the largest since the first quarter of 2014, and an aggregate national gain of about \$1 trillion.

Gina Brown (NMLS#115337)
 Senior Loan Officer
 425-766-5408
 gina@gmgloan.com
 www.loansbygina.com



Weekly Primary Mortgage Market Survey® (PMMS®)				
December 11, 2020	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Regional Breakdown	2.375%	2.25%	2.00%	-
Average Rates	*All loans are with a one point origination fee.			
Fees & Points	2.510%	2.580%	2.240%	-
APR				

**** 5/1 ARM's are not pricing right now due to liquidity issues with the Forbearance due to COVID 19
 ** Owner Occupied / Single Family Residence
 740 credit score and 20% down payment for conventional